R405-4

The Conference Board

A Monthly Report from the Consumer Research Center January 1991

Consumer Confidence Survey

December results

The measure of consumer confidence, which plunged in October, has remained at its depressed level over the past two months. In December, the Consumer Confidence Index (1985=100) registered 61.3, substantially unchanged from the preceding month. In assessing the present situation, people are more concerned than a month earlier, but their expectations for the future are somewhat less pessimistic than last time. Buying plans continue to be weak.

In assessing current conditions, people are increasingly uncomfortable with the employment situation. Close to a third of all respondents complain that jobs are "hard to get," a substantial increase compared to the month before. There is also less confidence in ongoing business conditions generally.

In looking ahead to the next six months, the numbers are moderately better than last time. Now, somewhat less than 26 percent of all those interviewed expect business conditions to worsen, compared with close to 30 percent in the preceding month. Still, there are twice as many pessimists as optimists on this issue. Concerning jobs in the future, there is little or no change. More than a third of all people believe that there will be fewer jobs in the months to come, only about one in ten expect the employment situation to improve. In assessing their own families' income outlook for the months ahead, responses are only marginally better than they were in the month before.

Consumer plans to spend remain weak. Intentions to purchase a car within the next six months are indicated by 5.9 percent of all those contacted, down from 6.5 percent a month earlier. Last year at this time, the figure was over 7 percent. Interest in purchasing a home is also low, but with the recent decline in interest rates there may be some improvement in the months to come. Finally, vacation plans, as compared to last year at this time, are feeble. Now, less than 47 percent of all respondents plan a vacation for the months ahead, down from more than 52 percent a year ago.

Consumers' continuing disenchantment with prevailing business conditions, and their low expectations for the immediate future, reflect an increasingly soft economy. The level of industrial production is down, the unemployment rate is inching up, and there has been little or no growth in the consumer's real personal income for some time now. Over and beyond these day-to-day economic realities is political uncertainty—the possibility of war in the Middle East. The consumer's increasing concerns are documented by the disappointing level of their Christmas spending.

Fabian Linden

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business **Employment** **Income**

All series seasonally adjusted.	1989 Dec.	1990 Jan	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.(r)	Dec.(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	113.0	106.5	106.7	110.6	107.3	107.3	102.4	101.7	84.7	85.6	62.6	61.7	61.3
Present Situation	125.9	120.7	126.3	123.7	119.4	117.8	111.1	116.6	100.4	97.5	73.2	70.3	63.5
Expectations	104.4	97.0	93.7	101.9	99.2	100.3	96.6	91.8	74.2	77.7	55.6	56.1	59.8
Appraisal of Present Situation: Percent													
Business Conditions													
Good	25.1	22.7	25.1	24.9	23.8	23.1	22.6	23.4	20.8	19.4	14.2	14.4	13.4
Bad	17.3	18.9	18.1	19.7	19.3	19.7	20.1	20.7	23.5	24.6	28.9	29.8	30.0
Normal	57.6	58.4	56.8	55.4	56.9	57.2	57.3	55.9	55.7	56.0	56.9	55.8	56.6
Employment													
Jobs plentiful	27.0	27.2	28.1	29.2	26.6	26.9	23.4	25.6	21.4	20.6	15.3	13.7	12.7
Jobs not so plentiful	52.4	51.2	51.4	49.0	51.1	50.2	52.9	52.3	52.8	54.3	54.9	56.9	54.6
Jobs hard to get	20.6	21.6	20.5	21.8	22.3	22.9	23.7	22.1	25.8	25.1	29.8	29.4	32.7
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	18.3	17.0	16.7	19.4	17.2	18.5	17.5	17.3	13.7	15.1	12.0	10.9	12.3
Worse	8.1	9.7	11.4	9.5	9.2	9.7	10.4	11.9	18.7	20.4	29.7	29.6	25.6
Same	73.6	73.3	71.9	71.1	73.6	71.8	72.1	70.8	67.6	64.5	58.3	59.5	62.1
Employment													
More jobs	16.6	14.6	14.3	16.6	15.4	15.9	15.5	14.6	11.3	13.9	9.5	9.9	9.6
Fewer jobs	14.9	16.8	17.4	15.4	16.2	16.3	16.5	18.0	22.7	23.2	34.9	34.9	33.9
Same	68.5	68.6	68.3	68.0	68.4	67.8	68.0	67.4	66.0	62.9	55.6	55.2	56.5
Income													
Increase	30.2	28.7	26.6	27.6	29.3	26.6	27.2	27.8	24.2	26.5	19.5	22.4	22.2
Decrease	5.9	6.1	6.0	6.3	6.3	5.2	7.0	7.8	8.5	8.7	11.0	11.5	10.1
Same	63.9	65.2	67.4	66.1	64.4	68.2	65.8	64.4	67.3	64.8	69.5	66.1	67.7
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.1	7.5	7.6	8.1	6.2	8.3	8.4	8.8	7.5	7.8	6.3	6.5	5.9
New	3.3	4.1	3.2	4.0	3.7	4.0	4.0	3.3	4.3	3.8	3.3	2.2	2.6
Used	2.8	3.0	3.3	3.3	2.1	3.1	3.3	4.6	2.9	2.7	2.0	3.2	2.9
Uncertain	1.0	0.4	1.1	0.8	0.4	1.2	1.1	0.9	0.3	1.3	1.0	1.1	0.4
Home													
Yes	3.3	3.6	4.1	3.9	2.9	3.9	3.6	4.3	3.0	2.9	2.9	2.6	2.6
New	0.8	0.9	1.0	1.2	0.8	1.1	0.9	0.8	1.0	0.8	0.6	0.9	0.6
Lived in	1.7	1.9	1.9	1.6	1.4	2.0	1.8	2.5	1.3	1.2	1.7	1.4	1.5
Uncertain	0.8	0.8	1.2	1.1	0.7	0.8	0.9	1.0	0.7	0.9	0.6	0.3	0.5
Major appliances													
Total plans	28.8	30.8	31.5	31.9	31.3	29.5	28.8	27.4	32.8	30.3	26.0	25.3	25.7
Refrigerator	4.1	5.2	4.3	5.1	4.5	5.2	4.4	4.4	5.4	4.8	3.6	3.7	4.1
Washing machine	4.4	3.8	4.8	4.4	3.6	3.7	4.1	4.2	4.3	3.9	3.6	3.1	3.4
TV Set	7.9	7.0	7.8	7.3	7.8	6.8	6.9	6.3	7.8	7.7	7.0	6.8	6.7
Vacuum Cleaner	5.0	5.6	5.1	6.3	6.0	5.3	4.5	4.8	6.1	5.7	4.1	4.5	4.9
Range	2.3	3.3	3.1	2.9	3.5	3.0	3.0	3.2	2.7	3.0	2.9	2.3	2.6
Clothes dryer	3.4	3.3	3.7	3.8	3.8	3.3	3.9	2.7	4.0	3.2	3.2	2.7	2.7
Air conditioner	1.7	2.6	2.7	2.1	2.1	2.2	2.0	2.2	2.5	2.0	1.6	2.2	1.3
Carpet	6.4	6.2	6.9	6.5	6.2	6.2	6.6	7.0	7.3	6.7	5.9	5.1	5.5
Vacation Intended Within Six Months: Percent													
Vacation Intended	52.4		49.9		48.1		48.6		48.9		45.9		46.7
Destination													
U.S.	44.4		42.8		41.1		42.2		41.8		40.0		40.7
Foreign country	9.5		9.3		8.8		8.1		9.2		7.5		7.4
Means of travel													
Automobile	29.6		28.7		28.6		29.4		29.4		27.7		27.1
Airplane	19.7		19.6		18.8		19.4		17.9		16.4		17.5
Other	4.9		4.4		3.8		3.3		4.6		3.9		4.1

(p)—preliminary (r)—revised

The Conference Board, 845 Third Avenue, New York, New York 10022
The Conference Board Europe, Avenue Louise, 207-Bte 5, B-1050 Brussels, Belgium
The Conference Board of Canada, 255 Smyth Road, Ottawa, Ontario, KIH-8M7

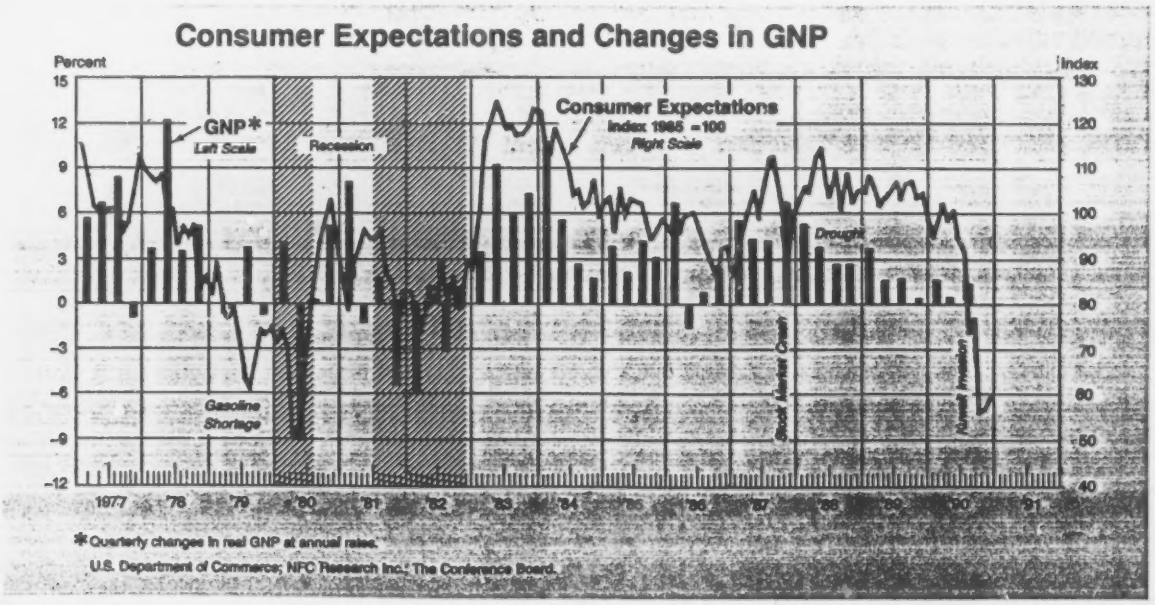
Inflation Interest Rates Stock Prices

Not seasonally adjusted	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.(r)	Dec. (p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.7	5.2	4.8	4.9	4.9	4.9	4.9	4.9	5.4	5.7	6.4	5.9	5.8
Interest Rates													
Higher	49.0	47.2	52.5	58.7	54.5	62.6	56.2	49.5	58.4	64.2	57.4	53.2	50.2
Same	25.9	24.1	26.0	23.9	28.2	23.2	25.3	29.3	20.9	18.8	18.0	21.9	19.9
Lower	25.1	28.7	21.5	17.4	17.3	14.2	18.5	21.2	20.7	17.0	24.6	24.9	29.9
Stock Prices													
Increase	42.2	41.6	35.0	39.0	36.8	38.7	43.6	38.5	30.3	31.4	26.8	25.8	27.7
Same	34.9	35.1	35.7	34.8	37.4	37.0	34.8	36.7	30.9	28.8	25.0	28.2	28.9
Decrease	22.9	23.3	29.3	26.2	25.8	24.3	21.6	24.8	38.8	39.8	48.2	46.0	43.4

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1989 Dec.	1990 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.(r)	Dec.(p)	3 mos. Percent Change*
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	121.2	115.4	119.3	122.4	116.1	118.9	111.9	114.5	100.9	94.2	81.9	80.1	75.6	- 23.3
35-54	112.5	105.8	107.9	110.8	109.8	106.7	100.9	102.2	85.0	86.6	61.6	59.6	62.8	- 32.8
55 and over	105.3	96.5	91.3	98.4	94.3	95.2	94.1	88.4	70.2	76.6	50.0	50.5	50.2	- 36.0
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	89.4	80.9	78.1	84.5	78.7	83.2	75.4	79.8	59.0	71.6	50.7	46.4	55.3	- 27.6
$15,000-24,999	106.6	97.6	97.1	100.5	106.1	103.1	91.9	98.8	83.4	80.7	55.0	62.9	53.8	- 34.7
$25,000 and over	124.3	118.4	119.9	123.7	119.1	117.9	116.7	109.8	96.0	91.8	69.9	68.3	66.3	- 31.3

***Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**



CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers:1985 = 100	1989	1990												AVERAGE: Oct., Nov. Dec.		
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.(r)	Dec.(p)	1989	1990	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	92.9	72.4	80.5	85.7	64.6	69.9	51.6	42.5	29.2	39.4	23.0	26.3	26.2	100.6	25.2	-75.0
Present Situation	130.3	101.3	105.4	96.8	71.9	68.2	53.3	38.3	22.5	29.9	9.2	10.8	9.1	142.8	9.7	-93.2
Expectations	68.0	53.2	63.9	78.3	59.7	71.1	50.5	45.4	33.8	45.8	32.2	36.7	37.6	72.6	35.5	-51.1
MIDDLE ATLANTIC																
Consumer Confidence Index	113.3	109.0	101.4	98.6	95.1	99.7	91.5	86.0	69.8	75.7	56.9	47.8	47.9	117.8	50.9	-56.8
Present Situation	144.2	128.7	126.6	111.1	108.9	106.6	111.9	104.7	92.2	96.6	74.3	53.0	47.7	149.0	58.3	-60.9
Expectations	92.8	95.9	84.6	90.3	85.9	95.1	78.0	73.5	54.8	61.7	45.3	44.4	48.1	97.0	45.9	-52.7
EAST NORTH CENTRAL																
Consumer Confidence Index	113.8	105.5	102.4	110.7	108.3	109.0	102.3	104.1	88.8	87.8	72.7	65.7	61.2	116.4	66.5	-42.9
Present Situation	130.6	119.4	117.2	117.2	123.4	127.0	118.1	125.3	111.1	113.5	101.2	87.4	82.7	139.1	90.4	-35.0
Expectations	102.7	96.2	92.5	106.3	98.2	97.0	91.7	90.0	73.9	70.7	53.6	51.2	46.8	101.3	50.6	-50.1
WEST NORTH CENTRAL																
Consumer Confidence Index	103.0	95.7	98.2	92.3	101.9	92.8	94.2	94.1	78.7	68.7	67.2	61.0	53.0	109.5	60.4	-44.8
Present Situation	122.1	102.8	105.1	101.1	106.1	110.3	103.9	116.6	94.1	83.6	87.5	78.7	59.4	125.4	75.2	-40.1
Expectations	90.3	91.0	93.6	86.4	99.0	81.2	87.8	79.1	68.4	58.8	53.7	49.2	48.8	98.9	50.6	-48.9
SOUTH ATLANTIC																
Consumer Confidence Index	124.9	124.6	125.2	130.2	121.4	122.6	128.9	119.9	95.9	98.0	74.0	69.4	65.9	135.1	69.8	-48.4
Present Situation	157.3	147.7	148.3	156.8	146.4	147.0	149.2	146.9	121.3	126.3	95.4	87.9	76.2	168.7	86.5	-48.8
Expectations	103.3	109.3	109.8	112.5	104.7	106.4	115.4	101.9	79.0	79.1	59.8	57.1	59.0	112.7	58.7	-48.0
EAST SOUTH CENTRAL																
Consumer Confidence Index	99.5	90.6	87.6	101.7	91.7	79.4	87.7	96.4	76.6	90.1	55.9	47.9	62.5	102.0	55.4	-45.6
Present Situation	90.0	79.1	81.4	85.1	84.8	68.1	79.3	102.8	82.9	102.4	59.7	47.4	55.8	97.2	54.3	-44.2
Expectations	105.8	98.3	91.7	112.8	96.2	86.9	93.3	92.1	72.4	81.9	53.3	48.3	67.0	105.1	56.2	-46.5
WEST SOUTH CENTRAL																
Consumer Confidence Index	87.5	84.7	95.6	93.2	92.0	90.5	78.9	84.7	77.5	90.6	63.5	71.8	69.2	84.9	68.2	-19.7
Present Situation	48.4	43.9	58.7	57.7	60.1	58.4	51.7	59.1	58.3	62.5	44.0	47.1	52.3	50.1	47.8	- 4.7
Expectations	113.5	112.0	120.2	116.9	113.4	111.9	97.1	101.8	90.3	109.4	76.5	88.3	80.5	108.1	81.8	-24.3
MOUNTAIN																
Consumer Confidence Index	89.7	84.3	92.8	96.2	104.3	101.0	97.2	99.3	72.0	108.5	62.5	68.6	79.6	94.0	70.2	-25.3
Present Situation	58.1	53.7	69.0	68.2	74.9	82.2	75.8	88.0	64.1	96.5	51.4	60.6	61.2	67.7	57.7	-14.8
Expectations	110.8	104.7	108.6	114.9	123.9	113.5	111.5	106.8	77.2	116.5	70.0	74.0	91.9	111.5	78.6	-29.5
PACIFIC																
Consumer Confidence Index	132.3	134.1	138.5	139.8	126.1	127.5	119.6	121.9	108.3	105.6	88.0	92.0	80.2	136.5	86.7	-36.5
Present Situation	169.9	166.5	174.6	167.8	160.6	165.2	151.0	168.1	153.8	143.4	120.0	134.1	118.2	171.7	124.1	-27.7
Expectations	107.3	112.6	114.4	121.1	103.2	102.4	98.7	91.1	77.9	80.4	66.7	63.9	54.9	113.0	61.8	-45.3

***Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**